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CITY OF CONCORD, NEW HAMPSHIRE

Combined Financial Statements

For the year ended December 31, 1982

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CONCORD, N. H.



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
One Boston Place
Boston, Massachusetts 02108
617-723-7700

Honorable Mayor and Council
City of Concord, New Hampshire:

We have examined the combined financial statements of the City of Concord, New Hampshire as of and for the year ended December 31, 1982 as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The City has not maintained a record of its general fixed assets and, accordingly, a Statement of General Fixed Assets, required by generally accepted accounting principles, is not included in the financial report.

In our opinion, except for the matter discussed in the preceding paragraph, the aforementioned combined financial statements present fairly the financial position of the City of Concord, New Hampshire at December 31, 1982, and the results of its operations and changes in financial position of the Enterprise, Internal Service and Nonexpendable Trust Funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the change, with which we concur, in the method of recognizing property tax revenues as described in note 2 to the financial statements.

Peat, Marwick, Mitchell & Co.

Boston, Massachusetts
April 22, 1983

Honorable Mayor and Council
City of Concord, New Hampshire

We have examined the combined financial statements of the City of Concord, New Hampshire as of and for the year ended December 31, 1982 as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The City has not maintained a record of its general fund assets and, accordingly, a Statement of General Fund Assets, required by generally accepted accounting principles, is not included in the financial report.

In our opinion, except for the adjustments described in the accompanying notes to the financial statements of the City of Concord, New Hampshire, the results of its operations and its financial position as of December 31, 1982, and the internal service fund and special funds as of and for the year ended, in conformity with that of the preceding year, after giving retroactive effect to the changes, with which we concur, in the method of recognizing property tax revenues as described in note 2 to the financial statements.

Concord, Massachusetts
April 22, 1983

Peat, Marwick, Mitchell & Co.

All Fund Types and Account Group

Combined Balance Sheets

December 31, 1982

Assets	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Group General long-term debt	Combined total (Memorandum only)
	General	Special revenue	Debt service	Capital projects	Special assessment	Enterprise	Internal service		
Cash and short-term investments	\$ 2,381,229	305	1,777,685	3,416,658	143,065	186,000	-	284,944	8,189,886
Marketable securities	-	-	-	-	-	-	-	1,332,454	1,332,454
Taxes receivable	4,418,940	-	-	-	85,147	-	-	-	4,504,087
Accrued interest receivable	166,800	-	-	-	-	-	-	-	166,800
Accounts receivable	385,429	129,020	-	33,020	-	930,011	39,000	-	1,516,480
Tax deemed property	20,716	-	-	-	-	-	-	-	20,716
Allowance for estimated uncollectibles	(248,679)	-	-	-	-	(6,145)	-	-	(254,824)
Due from other governments	-	432,501	-	2,655,494	-	-	-	-	3,087,995
Supplies inventory	254,341	-	-	-	-	139,461	-	-	393,802
Prepaid insurance	14,099	-	-	-	-	-	-	-	14,099
Interest and dividends receivable	-	-	-	-	-	12,216	-	61,797	74,013
Due from other funds	1,864,594	213,211	-	13,908	-	4,261,335	-	5,207,807	11,560,855
Long-term accounts receivable	9,304	-	-	-	-	-	-	-	9,304
Property, plant and equipment net of accumulated depreciation	-	-	-	-	-	71,344,633	817,030	-	72,161,663
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-
Total assets	\$ 9,266,773	775,037	1,777,685	6,119,080	228,212	76,867,511	856,030	6,887,002	7,480,000
Liabilities and Fund Equity									110,257,330
Liabilities:									
Short-term borrowings and current portion of long-term debt	\$ 1,131,500	-	-	450,000	9,500	9,610,500	-	-	11,201,500
Accounts payable	443,549	-	-	11,721	-	-	-	-	455,270
Due to other governmental units	-	-	-	-	-	-	-	5,207,807	5,207,807
Other liabilities and accrued expenses	34,146	1,613	1,777,685	-	-	430,723	118,158	-	2,362,325
Due to other funds	5,678,687	578,785	-	5,043,563	38,286	67,564	135,784	18,186	12,010,849
General long-term debt and notes payable	-	-	-	-	141,500	15,728,500	-	-	23,350,000
Total liabilities	7,287,882	580,398	1,777,685	5,505,284	189,286	25,837,287	253,942	5,225,993	54,137,757
Deferred tax revenue (note 2)	1,180,000	-	-	-	-	-	-	-	1,180,000
Fund equity:									543,043
Reserved for encumbrances	543,043	-	-	-	-	-	-	-	-
Reserved for trust purposes	-	-	-	-	-	-	-	1,661,009	1,661,009
Contributed capital	-	-	-	-	-	48,426,191	630,769	-	49,056,960
Retained earnings (deficit)	-	-	-	-	-	2,604,033	(28,681)	-	2,575,352
Unreserved:									331,389
Designated	331,389	-	-	-	-	-	-	-	-
Designated for capital projects	-	-	-	613,796	-	-	-	-	613,796
Undesignated (note 2)	(75,541)	194,639	-	-	38,926	-	-	-	158,024
Total fund equity	798,891	194,639	-	613,796	38,926	51,030,224	602,088	1,661,009	54,939,573
Total liabilities,									
deferred revenue and fund equity	\$ 9,266,773	775,037	1,777,685	6,119,080	228,212	76,867,511	856,030	6,887,002	110,257,330

See accompanying notes to the financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

All Governmental Fund Types and Expendable Trust Funds

Combined Statements of Revenues, Expenditures,
and Changes in Fund Equity

For the year ended December 31, 1982

	Governmental Fund Types				Fiduciary Fund Type Expendable trust funds	Combined Total (Memorandum only)
	General Fund	Special revenue funds	Debt service fund	Capital projects fund		
Revenues:						
Property taxes	\$ 7,649,560	-	-	-	-	7,649,560
Resident taxes	166,105	-	-	-	-	166,105
Motor vehicle	889,316	-	-	-	-	889,316
Parking Meter	-	123,431	-	-	-	123,431
Interest and penalties	309,150	95,061	-	-	-	416,569
New trusts	-	-	-	-	1,150	12,149
Investment income	732,275	128,032	-	-	7,384	867,691
Departmental and miscellaneous	927,157	13,142	-	-	-	980,458
Federal and state	1,849,556	2,266,225	-	40,159	-	4,115,781
Total revenues	12,523,119	2,625,891	-	40,159	8,534	15,221,060
Expenditures:						
Administrative	914,979	57,662	-	-	-	972,641
General government	329,853	167,521	-	-	-	497,374
Public safety	4,420,052	-	-	-	-	4,420,052
Public works	2,564,041	-	-	-	-	2,564,041
Planning and development	200,176	-	-	-	-	200,176
Leisure and information services	1,063,096	49,612	-	-	-	1,112,708
Human resources	616,389	-	-	-	-	616,389
Principal retirement	-	-	993,000	-	-	993,000
Highways and sidewalks	-	-	-	-	-	10,753
Interest	791,881	-	-	-	-	10,753
Employee benefits	842,352	-	658,417	-	-	1,450,298
Miscellaneous	298,769	-	-	-	-	842,352
Capital outlay	162,252	-	-	-	332	299,123
		1,525,660	-	1,573,412	-	3,261,324
Total expenditures	12,203,840	1,800,455	1,651,417	1,573,412	332	17,240,231
Excess of revenues over (under) expenditures	319,279	825,436	(1,651,417)	(1,533,253)	8,202	(2,019,171)
Other financing sources (uses):						
Operating transfers in (out)	(198,190)	(1,520,592)	1,651,417	867,189	-	799,824
Excess of revenues and other financing sources over (under) expenditures and other financing uses						
	121,089	(695,156)	-	(666,064)	8,202	(1,219,347)
Fund equity, January 1, 1982	677,802	889,795	-	1,279,860	24,320	2,898,121
Fund equity, December 31, 1982	\$ 798,891	194,639	-	613,796	32,522	1,678,774

See accompanying notes to the financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

General Fund

Statement of Revenues and Expenditures - Budget and Actual

For the year ended December 31, 1982

	<u>Budget</u>	<u>Actual</u>	<u>Over (under)</u>
Revenues:			
Local:			
Property taxes	\$ 7,663,894	7,649,560	(14,334)
Resident taxes	167,000	166,105	(895)
Motor vehicle	800,000	889,316	89,316
Interest and penalties	150,000	309,150	159,150
Investment income	1,270,000	732,275	(537,725)
Departmental and miscellaneous	935,885	927,157	(8,728)
Total local	10,986,779	10,673,563	(313,216)
State	1,840,301	1,849,556	9,255
Total revenues	12,827,080	12,523,119	(303,961)
Expenditures and encumbrances:			
Current:			
Administration	860,926	846,074	(14,852)
General governmental	345,703	333,041	(12,662)
Public safety	4,490,043	4,329,200	(160,843)
Public works	2,848,446	2,526,158	(322,288)
Planning and development	193,989	188,949	(5,040)
Leisure and information services	1,042,266	1,029,105	(13,161)
Human Resources	625,294	620,916	(4,378)
Interest	1,200,000	791,881	(408,119)
Employee benefits	847,244	770,331	(76,913)
Miscellaneous	294,616	267,489	(27,127)
Capital outlay	343,492	339,863	(3,629)
Total expenditures and encumbrances	13,092,019	12,043,007	(1,049,012)
Operating transfers in (out), net	(360,061)	(198,190)	(161,871)
Excess (deficiency) of revenues over expenditures, encumbrances and operating transfers	\$ (625,000)	281,922	906,922

See accompanying notes to the financial statements.

Enterprise Funds

Combining Balance Sheet

December 31, 1982

	Assets	Refuse fund	Water Enterprise fund	Sewer Enterprise fund	Beaver Meadow Municipal Golf Course	Douglas N. Everett Ice Skating Arena	Combined Total
Current assets:							
Cash and short-term investments	\$ -		120,000	66,000	-	-	186,000
Accounts receivable	19,800		269,183	639,612	1,416	-	930,011
Allowance for uncollectibles	-		(6,145)	-	-	-	(6,145)
Inventories	-		139,461	-	-	-	139,461
Interest and dividends receivable	-		6,803	5,413	-	-	12,216
Due from other funds	-		1,883,229	2,340,204	239	37,663	4,261,335
Total current assets		19,800	2,412,531	3,051,229	1,655	37,663	5,522,878
Property, plant and equipment		49,849	13,817,760	62,656,413	439,174	276,000	77,239,196
Less accumulated depreciation		(2,211)	(2,442,006)	(3,296,453)	(138,989)	(14,904)	(5,894,563)
Total assets		47,638	11,375,754	59,359,960	300,185	261,096	71,344,633
		\$ 67,438	13,788,285	62,411,189	301,840	298,759	76,867,511
Liabilities and Fund Equity							
Liabilities:							
Short-term borrowings and current portion of long-term debt		-	790,000	8,810,500	-	10,000	9,610,500
Accounts payable		12,397	213,465	204,421	-	440	430,723
Other liabilities and accrued expenses		21,818	40,168	-	5,578	-	67,564
Due to other funds		34,215	1,043,633	9,014,921	5,578	10,440	10,108,787
Total current liabilities							
General long-term debt (Note 6)		-	6,225,000	9,423,500	-	80,000	15,728,500
Total liabilities		34,215	7,268,633	18,438,421	5,578	90,440	25,837,287
Fund equity:							
Contributed capital		-	3,453,622	44,461,569	335,000	176,000	48,426,191
Retained earnings (deficit)		33,223	3,066,030	(488,801)	(38,738)	32,319	2,604,033
Total fund equity		33,223	6,519,652	43,972,768	296,262	208,319	51,030,224
Total liabilities and fund equity		\$ 67,438	13,788,285	62,411,189	301,840	298,759	76,867,511

See accompanying notes to the financial statements.

All Proprietary Fund Types and Similar Trust Funds

Combined Statements of Revenues, Expenses and Changes in
Retained Earnings/Fund Balance

For the year ended December 31, 1982

	Refuse	Water	Sewer	Beaver Meadow Municipal Golf Course	Douglas N. Everett Ice Skating Arena	Internal Service	Nonexpendable Trust	Combined Total (Memorandum Only)
Revenues	\$ 195,037	1,555,190	1,669,990	145,137	132,969	802,949	216,836	4,718,108
Expenses:								
Collection	-	569,820	215,455	-	-	-	-	785,275
Treatment facility	-	271,352	1,066,532	-	-	-	-	1,337,884
Water supply	-	176,012	-	-	-	-	-	176,012
Distribution	-	259,444	-	-	-	-	-	259,444
Depreciation	2,211	300,553	930,509	12,151	7,452	136,792	-	1,389,668
Other operating expenses	159,603	-	-	135,164	104,580	733,430	121,261	1,254,038
Total expenses	161,814	1,577,181	2,212,496	147,315	112,032	870,222	121,261	5,202,321
Operating income (loss)	33,223	(21,991)	(542,506)	(2,178)	20,937	(67,273)	95,575	(484,213)
Nonoperating income (expense):								
Interest income	-	311,916	1,974,165	-	-	-	-	2,286,081
Interest expense	-	(615,301)	(1,712,169)	-	(10,982)	(2,615)	-	(2,341,067)
Net nonoperating income (expense)	-	(303,385)	261,996	-	(10,982)	(2,615)	-	(54,986)
Net income (loss)	33,223	(325,376)	(280,510)	(2,178)	9,955	(69,888)	95,575	(539,199)
Retained earnings (deficit)/fund balance, beginning of year (note 1)	-	3,391,406	(208,291)	(36,560)	22,364	41,207	1,532,912	4,743,038
Retained earnings (deficit)/fund balance, end of year	\$ 33,223	3,066,030	(488,801)	(38,738)	32,319	(28,681)	1,628,487	4,203,839

See accompanying notes to the financial statements.

All Proprietary Fund Types and Similar Trust Funds

Statements of Changes in Financial Position

For the year ended December 31, 1982

	Refuse	Water	Sewer	Beaver Meadow Municipal Golf Course	Douglas N. Everett Ice Skating Arena	Internal Service	Nonexpendable Trust
Sources of working capital:							
Net income (loss)	\$ 33,223	(325,376)	(280,510)	(2,178)	9,955	(69,888)	95,575
Item not requiring current outlay of working capital - depreciation	2,211	300,553	930,509	12,151	7,452	136,792	-
Total sources from (used for) operations	<u>35,434</u>	<u>(24,823)</u>	<u>649,999</u>	<u>9,973</u>	<u>17,407</u>	<u>66,904</u>	<u>95,575</u>
Proceeds from sale of equipment	-	-	-	1,875	-	-	-
Contributions in aid of construction	-	<u>140,873</u>	<u>5,279,873</u>	-	-	-	-
	-	<u>116,050</u>	<u>5,929,872</u>	<u>11,848</u>	<u>17,407</u>	<u>66,904</u>	-
Uses of working capital:							
Additions to property, plant and equipment	49,849	914,278	7,179,375	12,364	-	295,922	-
Transfers to current maturity of long-term debt	-	405,000	760,500	-	10,000	-	-
	<u>49,849</u>	<u>1,319,278</u>	<u>7,939,875</u>	<u>12,364</u>	<u>10,000</u>	<u>295,922</u>	-
Increase (decrease) in working capital	<u>\$ (14,415)</u>	<u>(1,203,228)</u>	<u>(2,010,003)</u>	<u>(516)</u>	<u>7,407</u>	<u>(229,018)</u>	<u>95,575</u>
Changes in the elements of working capital:							
Increase (decrease) in current assets:							
Cash	-	-	-	-	-	-	95,575
Accounts receivable	19,800	(13,116)	26,654	523	(25,000)	39,000	-
Inventories	-	(18,240)	-	-	-	-	-
Marketable securities	-	-	-	-	-	-	-
Interest and dividends receivable	-	(8,882)	(8,629)	-	-	-	-
Due from other funds	-	(659,809)	(11,496,617)	(1,039)	32,389	(14,076)	-
	<u>19,800</u>	<u>(700,047)</u>	<u>(11,478,592)</u>	<u>(516)</u>	<u>7,389</u>	<u>24,924</u>	<u>95,575</u>
(Increase) decrease in current liabilities:							
Short-term borrowings	-	(385,000)	7,945,000	-	-	-	-
Accounts payable and accrued expenses	(12,397)	(118,181)	752,189	-	18	(118,158)	-
Due to other funds	(21,818)	-	771,400	-	-	(135,784)	-
	<u>(34,215)</u>	<u>(503,181)</u>	<u>9,468,589</u>	-	<u>18</u>	<u>(253,942)</u>	-
Increase (decrease) in working capital	<u>\$ (14,415)</u>	<u>(1,203,228)</u>	<u>(2,010,003)</u>	<u>(516)</u>	<u>7,407</u>	<u>(229,018)</u>	<u>95,575</u>

See accompanying notes to the financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

All Trust and Agency Funds

December 31, 1982

<u>Assets</u>	<u>Trust Funds</u>		<u>Agency Funds</u>	<u>Total Trust and Agency Funds</u>
	<u>Expendable</u>	<u>Nonexpendable</u>		
Cash	\$ 102	284,842	-	284,944
Marketable securities	4,942	1,327,512	-	1,332,454
Interest and dividends receivable	45,664	16,132	-	61,796
Due from other funds	-	-	5,207,807	5,207,807
Total assets	\$ <u>50,708</u>	<u>1,628,486</u>	<u>5,207,807</u>	<u>6,887,001</u>
<u>Liabilities</u>				
Due to other funds	18,186	-	-	18,186
Due to other governmental units	-	-	5,207,807	5,207,807
Total liabilities	<u>18,186</u>	<u>-</u>	<u>5,207,807</u>	<u>5,225,993</u>
<u>Fund Balance</u>				
Nonexpendable fund balance	-	1,628,486	-	1,628,486
Expendable fund balance	<u>32,522</u>	<u>-</u>	<u>-</u>	<u>32,522</u>
Total liabilities and fund balance	\$ <u>50,708</u>	<u>1,628,486</u>	<u>5,207,807</u>	<u>6,887,001</u>

See accompanying notes to the financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 1982

(1) Summary of Significant Accounting Principles

The accounting policies of the City of Concord, New Hampshire conform to generally accepted accounting principles as applicable to governmental units, except that a statement of general fixed assets is not presented as records of their cost are not maintained. The following is a summary of the more significant policies:

(a) Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the city are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

Special Assessment Funds - Special Assessment Funds are used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

PROPRIETARY FUND TYPES

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organization, other governmental units, and/or other funds.

Trust and Agency Funds - Trust and Agency Funds include expendable, nonexpendable, and pension trust and agency funds. Nonexpendable and pension trust funds are accounted for and reported as proprietary funds since capital maintenance is critical. Expendable trust and agency funds are accounted for and reported as governmental funds.

ACCOUNT GROUP

An account group is used to establish accounting control and accountability for the City's general long-term debt. The following is the City's account group:

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the City except that accounted for in the proprietary funds, trust funds, and special assessment funds.

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

(b) Basis of Accounting

The accounts of the General, Special Revenue, Capital Projects, Special Assessment, Expendable Trust and Debt Service Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and assets are recognized when measurable and available to finance operations during the year. Expenditures and liabilities are recognized when obligations are incurred from receipt of goods and services, when assessments are made by the state or, in the case of judgments and claims against the City, when there is a probability that such judgments and claims will result in liabilities, the amounts of which can be reasonably estimated. Interest on long-term general obligation bonds and notes payable is recognized when it becomes payable. The City follows the policy of recording property and resident taxes and bond reimbursements on the accrual method and other General Fund revenue, such as motor vehicle excise taxes, on a cash basis. Federal revenue sharing assistance is recorded as a receivable and revenue as the entitlement occurs. Federal and state reimbursement type grants are recorded as receivables and revenues as the related expenditures are recorded.

The accounts of the Nonexpendable Trust, Enterprise, Agency and Internal Service Funds are maintained and reported on the accrual basis of accounting.

(c) Interfund Transactions

The General Fund does not assess property taxes on Enterprise Fund properties and administrative costs incurred by the General Fund on behalf of the other City funds are not allocated to such funds.

(d) Retirement Costs

Substantially all employees of the city participate in the State of New Hampshire Retirement System. Under this plan, participants contribute annually a percentage of compensation which is fixed by law and dependent upon age when contributions begin. The City's contribution rate for the plan is based upon an actuarial valuation of the State Plan as of June 30, 1982 and has been set at 13.91% of annual compensation for police, 11.59% for firemen, and 3.76% for all other employees. The City's contribution rate provides for normal cost annually and for amortization of past service cost over 20 years. The City's policy is to fund pension cost accrued. The actuarial present value of vested accumulated plan benefits, actuarial present value of nonvested accumulated plan benefits and net assets available for plan benefits for the City of Concord are not available.

Pension expense for the year was:

<u>Fund</u>	<u>Amount</u>
General	\$ 497,326
Water	24,854
Sewer	14,491
Parking	9,885
Internal service	5,219

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

The City is also required to provide for annual retirement payments to retired District Court Justices equal to 75% of the Justices' salaries in effect upon retirement. The actuarially computed value of future retirement payments is not available and the actual cost is included in the expenditures of the General Fund when paid (\$35,371 in 1982).

(e) Vacation and Sick Pay

Permanent employees earn vacation and sick pay as they provide services and may accumulate up to 90 days of sick pay and 30 days of vacation pay. Upon termination, employees are not compensated for accumulated unused sick pay but receive a cash payment equal to 100% of the accumulated vacation pay based upon the then rate of compensation.

In accordance with generally accepted accounting principles, vacation and sick pay applicable to Enterprise Fund employees is recorded when earned in the Enterprise Fund financial statements. In all other funds, vacation and sick pay is recorded when paid.

The maximum estimated value of accumulated vacation and sick pay applicable to all City employees (other than those employed by Enterprise Funds) at December 31, 1982 is approximately \$286,447 and \$1,262,964, respectively.

(f) Inventories

Inventories of the General Fund are reserved as purchased.

All inventories are stated at the lower of cost or market with cost determined by an average cost method.

(g) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost. Effective January 1, 1980, the interest cost incurred to finance acquisition or construction has been capitalized as a part of the asset cost. This change was made in connection with the issuance of Statement of Financial Accounting Standards No. 34. Such interest cost capitalized in 1982 amounted to approximately \$158,447 and \$26,958 for the Sewer Fund and Water Fund, respectively. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets.

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

A detail of property, plant and equipment is as follows:

	<u>Asset Cost</u>	<u>Useful Life</u>
Water Fund:		
Land	\$ 226,263	
Buildings	2,461,198	20-100 years
Filtration plant	3,997,498	10- 67
Distribution equipment	6,667,016	20- 75
Other equipment	439,568	5- 10
Construction in progress	<u>26,217</u>	
	<u>\$ 13,817,760</u>	
Sewer Fund:		
Land	\$ 509,081	
Wastewater facility	26,338,321	50
Sewer mains	34,740,093	80
Manholes	270,285	70
Customer connections,	547,152	80
Equipment	<u>93,034</u>	20
	<u>\$ 62,497,966</u>	
Municipal Golf Course Fund:		
Land	\$ 26,900	
Land improvements	215,125	50
Buildings	94,681	50
Equipment	<u>102,468</u>	10-20
	<u>\$ 439,174</u>	
Ice Skating Arena Fund:		
Land	\$ 27,600	
Buildings	165,600	50
Equipment	<u>82,800</u>	10-20
	<u>\$ 276,000</u>	
Internal Service Fund:		
Vehicles and equipment	<u>\$ 856,030</u>	4-15
Refuse Fund:		
Building	\$ 11,271	40
Equipment	<u>38,578</u>	20
	<u>\$ 49,849</u>	

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

(2) Change in Method of Accounting for Property Tax Revenue

Property tax bills for 1982 were mailed to taxpayers in November requiring payments on December 1, in accordance with state statute. Tax rates are set annually and are approved by the State in October.

During 1982, the City changes its method of recognizing property tax revenues for uncollected taxes. The City now recognizes tax revenues only to the extent payments are received during the year or within 60 days subsequent to year-end. Revenues applicable to uncollected property taxes not received within 60 days of year-end are recorded as deferred revenue.

The effects of the change in method of accounting for property tax revenues in the General Fund were as follows:

Reduction of undesignated fund balance as of January 1, 1982	\$ 1,210,000
Increase in tax revenues for 1982	<u>(30,000)</u>
Reduction of undesignated fund balance as of December 31, 1982	\$ <u>1,180,000</u>

(3) Budgetary Accounting and Encumbrances

The approved budget for the General Fund is presented in the General Fund Statement of Revenues, Expenditures, Encumbrances and Operating Transfers - Budget and Actual.

For budgetary comparison purposes, revenues and expenditures described as actual were determined on the basis of accounting principles used in the preparation of the budget. Under generally accepted accounting principles (GAAP), encumbrances, representing general fund appropriations based on purchase orders, contracts or other forms of legal commitments, are regarded as reservations of fund equity and are not reported as expenditures. In the General Fund, encumbrances are considered to be expenditures for budgetary purposes. The difference in reporting for the General Fund is as follows:

Total budgetary expenditures	\$ 12,417,478
Prior year encumbrances	329,405
Current year encumbrances	<u>(543,043)</u>
Total GAAP General Fund expenditures	\$ <u>12,203,840</u>

(4) Marketable Securities

Marketable securities held in the Trust Funds which are carried at cost consist of the following at December 31, 1982:

	<u>Cost</u>	<u>Market Value</u>
Common stocks	\$ 311,834	328,734
Bonds	611,705	528,741
Mutual fund shares	<u>408,916</u>	<u>370,214</u>
	\$ <u>1,332,455</u>	<u>1,227,689</u>

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

(5) Short-Term Borrowings

Short-term borrowings consisted of the following at December 31, 1982:

Special Assessment Fund:

Current portion of long-term borrowings	\$ <u>9,500</u>
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Arena Fund:

Current portion of long-term borrowings	\$ <u>10,000</u>
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Sewer Fund:

Current portion of long-term borrowings	\$ 760,500
Federal Aid Anticipation Notes due March 20, 1983 with interest at 4.57% all retired on March 30, 1983, and replaced by \$2,750,000 of notes with interest at 5.38% due March 30, 1984	2,750,000
Bond Anticipation Notes due May 27, 1983 with interest from 4.78% to 6.19%	<u>5,300,000</u>
	<u>\$ 8,810,500</u>

Water Fund:

Current portion of long-term borrowings	\$ 405,000
Bond anticipation notes due February 25, 1983 with interest at 5.19% retired on February 25, 1983 and replaced by \$610,000 of bonds with interest at 6.75% due February 15, 1992	<u>385,000</u>
	<u>\$ 790,000</u>

Capital Projects Fund:

Bond anticipation note due May 27, 1983 with interest at 4.78%	<u>\$ 450,000</u>
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General Fund:

Bond anticipation note due February 25, 1983 with interest at 5.19% retired on February 25, 1983 and replaced by \$2,135,000 of bonds with interest at 6.75% due February 15, 1993	<u>\$ 1,131,500</u>
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(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

(6) General Long-Term Debt Payable

As of December 31, 1982, unmatured general obligation debt consisted of the following:

<u>Description of Issue</u>	<u>Amount of issue</u>	<u>Date of issue</u>	<u>Interest rate</u>	<u>Principal Amount Outstanding December 31, 1982</u>	
				<u>Current portion</u>	<u>Long-Term portion</u>
General long-term debt group of accounts:					
Public improvement	\$ 6,185,000	3/74-12/81	4.3-11%	\$ -	3,730,000
School	<u>6,268,000</u>	7/59-6/81	3.5-9.5%	<u>-</u>	<u>3,750,000</u>
	<u>\$ 12,453,000</u>			<u>\$ -</u>	<u>7,480,000</u>
Water Fund	<u>\$ 8,410,000</u>	6/73-12/81	4.3-11%	<u>\$ 405,000</u>	<u>6,225,000</u>
Sewer Fund*	<u>\$ 12,890,000</u>	6/73-12/81	4.3-11.09%	<u>\$ 760,500</u>	<u>9,423,500</u>
Special Assessment Fund	<u>\$ 170,000</u>	7/80	6.5%	<u>\$ 9,500</u>	<u>141,500</u>
Douglas N. Everett Ice Skating Arena Fund	<u>\$ 100,000</u>	12/81	11%	<u>\$ 10,000</u>	<u>80,000</u>

* At December 31, 1982, the State of New Hampshire was to provide \$9,650,568 in future years for retirement of Sewer Fund Bonds.

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

As of December 31, 1982, general obligation debt service serial requirements for principal and interest in future years are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Long-Term Group of Accounts:			
1982	\$ 930,000	551,575	1,481,575
1983	900,000	492,520	1,392,520
1984	805,000	436,170	1,241,170
1985	765,000	384,695	1,149,695
1986	365,000	341,550	706,550
1987 through 1999	<u>3,715,000</u>	<u>1,883,815</u>	<u>5,598,815</u>
	<u>\$ 7,480,000</u>	<u>4,090,325</u>	<u>11,570,325</u>
Sewer Fund:			
1982	\$ 760,500	1,085,685	1,846,185
1983	535,500	1,023,647	1,554,147
1984	535,500	966,560	1,502,060
1985	535,500	909,472	1,444,972
1986	535,500	852,385	1,387,885
1987 through 2001	<u>7,281,500</u>	<u>5,962,110</u>	<u>13,243,610</u>
	<u>\$ 10,184,000</u>	<u>10,799,859</u>	<u>20,983,859</u>
Special Assessment Fund:			
1982	\$ 9,500	9,815	19,315
1983	9,500	9,198	18,698
1984	9,500	8,580	18,080
1985	9,500	7,963	17,463
1986	9,500	7,345	16,845
1987 through 1998	<u>103,500</u>	<u>40,040</u>	<u>143,540</u>
	<u>\$ 151,000</u>	<u>82,941</u>	<u>233,941</u>
Water Fund:			
1982	\$ 405,000	637,292	1,042,292
1983	405,000	604,948	1,009,948
1984	375,000	573,122	948,122
1985	375,000	543,438	918,438
1986	380,000	512,073	892,073
1987 through 2001	<u>4,690,000</u>	<u>3,473,589</u>	<u>8,163,589</u>
	<u>\$ 6,630,000</u>	<u>6,344,462</u>	<u>12,974,462</u>
Douglas N. Everett Ice Skating Arena:			
1982	\$ 10,000	9,900	19,900
1983	10,000	8,800	18,800
1984	10,000	7,700	17,700
1985	10,000	6,600	16,600
1986	10,000	5,500	15,500
1987 through 1991	<u>40,000</u>	<u>11,000</u>	<u>51,000</u>
	<u>\$ 90,000</u>	<u>49,500</u>	<u>139,500</u>

(Continued)

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

In accordance with New Hampshire State Law, the City has additional borrowing capacity at December 31, 1982 as follows:

	Maximum Debt Limit	Applicable Long-Term Debt Outstanding at December 31, 1982
Municipal	\$ <u>10,836,508</u>	<u>3,730,000</u>
School	\$ <u>40,231,534</u>	<u>3,750,000</u>
Water	\$ <u>62,077,189</u>	<u>6,630,000</u>

(7) Secondary Wastewater Treatment Facility

In December 1981, the City sold \$10,000,000 of general obligation sewer bonds to partially finance the construction of a secondary wastewater treatment facility. The total cost of this facility is estimated to be \$50,800,000. The Federal government has awarded the EPA grant to the City which will be used to fund 75% of the cost of the facility. At December 31, 1982, \$36,115,881 had been received from the Federal government. The State of New Hampshire has also awarded a grant to the City which will fund 20% of the facility's cost. The City has sold the \$10,000,000 of bonds in anticipation of receiving this grant. Proceeds from the grant are reflected as contributions to Sewer Fund Capital as received.

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